



AUDIT REPORT: UNIVERSITY OF IOWA HEALTH CARE

Audit Report Released. On July 9, 2015, the State Auditor released a report on a special investigation of the University of Iowa Health Care (UIHC), Department of Orthopaedics and Rehabilitation for the period of July 1, 1999, through December 31, 2014. The full report is available online at: <http://auditor.iowa.gov/reports/1361-8010-BE01.pdf>.

Reason for Investigation. The investigation was requested when University of Iowa officials became concerned that Dr. Brian Adams was diverting collections from UIHC for his services to patients and violating his contract by engaging in the practice of medicine outside of his employment without prior approval. Dr. Adams was employed by the Department from December 5, 1992, until his resignation on August 21, 2014.

Diverted Collections. The State Auditor identified \$1.9 million in diverted collections that included:

- \$405,000 for medical services provided to UIHC and non-UIHC patients.
- \$426,000 for non-medical services such as depositions and expert witness fees.
- \$1.1 million for consulting fees and royalties from companies he represented or for which he developed products.

Recommendations. The diverted collections were deposited to Dr. Adams' personal bank accounts and to an account Dr. Adams established using the name "UIHC Orthopaedics" and the UIHC address. The State Auditor recommends strengthening internal controls and overall operations by confirming with local banks any accounts that include the name of the University of Iowa, UIHC, a department name, or some variation. The State Auditor also recommends continuing to improve and communicate the disclosure requirements related to conflicts of interest or commitment.

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